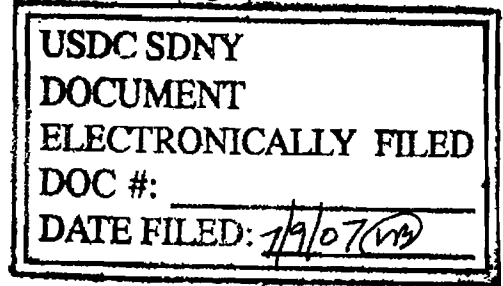


Exhibit 3



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Attorneys for Plaintiff Earl Davis

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
EARL DAVIS,

Plaintiff,

-against-

SALANDER O'REILLY GALLERIES LLC
f/k/a SALANDER O'REILLY GALLERIES INC.,
and LAWRENCE B. SALANDER

Defendants.
----- X

Case No. 07-CV-4165 (SHS) (DF)

STIPULATION AND ORDER

WHEREAS, Plaintiff, as the son and heir of American artist Stuart Davis, owns works of art created by his father. He consigned many of those works to Defendants' art gallery for exhibition or possible sale. He alleges that the Defendants have neither returned nor paid him for all of those works of art.

WHEREAS, Plaintiff has moved by Order To Show Cause for an order granting preliminary relief, which was signed by Judge Richard M. Berman on June 29, 2007. To resolve the relief sought in the Order to Show Cause, the parties agree, and Defendants consent, to the following:

IT IS HEREBY STIPULATED, AGREED, AND ORDERED that:

1. Defendants, and all persons acting for, on behalf of or for the account of either of said Defendants, are enjoined, restrained and prohibited during the pendency of this action, from selling, lending, leasing, consigning, encumbering, assigning or pledging as collateral, or transferring or attempting to transfer to any person or entity other than to the Plaintiff herein or as this Court may otherwise direct,

possession of or any interest in any of the works of art identified in Schedule A hereto (the "Works");

2. Defendants are to retrieve all Works that have not yet been sold from those persons or entities to which Defendants consigned, pledged, loaned or transferred such unsold Works, and deliver such unsold Works to Plaintiff;

3. Defendants are to segregate from all of Defendants' other moneys, and deliver to Plaintiff, all installments that Defendants receive, upon such receipt from this date forward, as one or more payments for Works sold prior to this date;

5. Defendants shall begin producing to Plaintiff as soon as practicable, and shall complete production by July 25, 2007 (unless the parties stipulate otherwise or Defendants can demonstrate upon motion good cause for a later date for production of certain documents), pre-existing documents sufficient to demonstrate with respect to each and every Work:

(a) if it was sold, to whom it was sold (including name, address and telephone number), the sale price, sale date and all terms of the sale, including but not limited to any terms for payment over time (such as a bill of sale, payment records, deposited checks, etc.);

(b) if it was consigned, the person or entity to which it was consigned (including its name, address and telephone number) and the consignment agreement or other written document between the consignor and consignee describing all terms of the consignment;

(c) if it was pledged as collateral, its current location, the security agreement or other written agreement between the debtor and creditor identifying the collateral and the debt for which it was pledged and the identity of the creditor (including its name, address and telephone number) to which it was pledged; and

(d) if it was loaned, left on approval or otherwise delivered to any person or entity, the terms of that arrangement, including the identity, address and

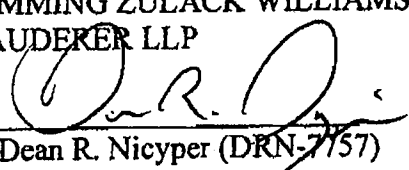
telephone number of each person involved, including the person currently in possession of the Work.

6. If Defendants fail to deliver to Plaintiff all documents identified in the preceding paragraph 5 with respect to any individual Work or Works on or before July 25, 2007 (or other date agreed to or ordered by the Court), Plaintiff may subpoena appropriate third-parties to locate each such Work and determine its status.

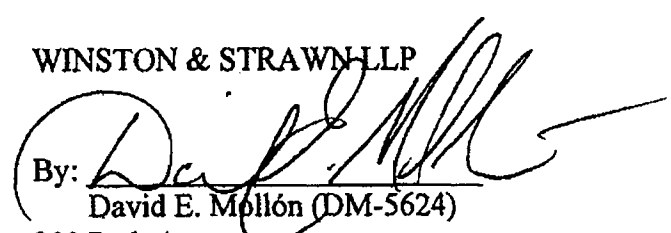
7. The parties shall have until August 10, 2007, to negotiate in good faith to attempt to resolve the claims in this action. If the parties are unable to reach a mutually acceptable resolution on or before August 10, 2007, this Consent Order shall remain in effect, the parties shall confer pursuant to Fed. R. Civ. P. Rule 26(f) on August 11, 2007, ^{or before} ~~a Rule 16 conference will be held with the Court on August 15, 2007,~~ and this case may proceed in full, including with respect to any additional requests for injunctive relief that may be sought. *The parties are directed to telephone Mag. Judge Debra Freeman to whom this action has been referred for general pretrial purposes, to establish a Rule 16 conference.*

Dated: New York, New York
July 6, 2007

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Attorneys for Defendants

7/9/08
SO ORDERED:


Sidney H. Stein, J.
United States District Judge

OIL PAINTINGS

- Y.4 Coal Derrick**
1916 - 17, oil on canvas
24 1/8 x 30 in
Reg # 3926
- Y.6 Dogtown (Hillside with Stone Walls)**
c. 1916, oil on canvas
29 1/2 x 23 5/8 in
Reg # 3928
- Y.7 Farmer and Horse, Tioga, PA.**
c. 1919, oil on canvas
24 x 29 3/4 in
Reg # 5313
- Y.8 Airview**
c. 1916, oil on canvas
30 1/4 x 24 1/4 in
Reg # 5322
- Y.10 Mobil Oil**
1916, oil on canvas
23 x 19 in
Reg # 5334
- Y.12 (East) Gloucester-Harbor**
c. 1919, oil on canvas
19 x 23 in
Reg # 5324
- Y.14 Untitled (Rainy Day)**
c. 1918, oil on canvas
23 x 19 1/2 in
Reg # 3947
- Y.17 Summer House**
c. 1916, oil on canvas
18 3/4 x 22 3/4 in
- Y.18 Portrait of a Man**
c. 1915, oil on canvas
23 1/8 x 19 1/8 in
Reg # 12760

Y.28 Bleeker Street

1913, oil on canvas
38 x 30 in
Reg # 5326

Y.31 Harbor Scene

1914, oil on canvas
26 1/8 x 38 1/8 in
Reg # 5343

Y.32 Woman in Landscape

1914, oil on board
12 x 16 in
Reg # 14390

Y.41 Bowsprit

1916, oil on canvas
23 x 19 in
Reg # 5318

Y.41A A Cove, Gloucester Beach

1916, oil on canvas
30 x 24 in
Reg # 3925

**Y.45 Market and Broad Street,
Newark, New Jersey**

1917, oil on paper
16 x 12 1/2 in
Reg # 3938

Y.46 Windy Night, Newark

1917
15 1/2 x 11 1/4 in
Reg # 3939

Y.52 Tioga-Tobacco Fields

1919, oil on canvas
23 3/4 x 29 3/4 in

Y.53 Gloucester Landscape

1919, oil on canvas
23 7/8 x 29 3/4 in
Reg # 5328

Y.57 Setting Sun, Tioga

1919, oil on canvas
24 x 30 in
Reg # 5340A

- Y.61 Tree**
1921, oil on canvas
19 7/8 x 25 1/8 in
Reg # 5321
- Y.62 From the Shore (The Sword Plant)**
1921, oil on canvas
15 x 30 in
Reg# 11241
- Y.64 Tree and Urn**
1921, oil on canvas
30 x 19 in
Reg # 4809
- Y.65 Garden Scene**
1921, oil on canvas
20 X 40 in
Reg # 5344A
- Y.66 Wharf**
1921, oil on canvas
15 x 23 in
Reg # 12758
- Y68A Still-Life with Dial**
1922, oil on canvas
49 3/4 x 32 in
- Y.69 Still Life with Egg Beater**
1922, oil on canvas
12 x 19 in
Reg # 3940
- Y69A Red Still-Life**
1922, oil on canvas
50 x 32 in
- Y.70 Landscape with Saw**
1922, Oil on board
16 x 12 in
Reg # 2785
- Y.74 Still Life (Any)**
1922, oil on artist board
9 x 6 in
Reg # 10835

- Y74A Brown Still-Life**
1922, oil on canvas
50 x 32 in
- Y.81 Interior**
c.1922, oil on canvas
20 1/8 x 16 1/8 in
Reg # 3933
- Y.81- B New Mexican Peak**
1923, oil on canvas
22 x 32 1/2 in
Reg # 5310
- Y.81-C Mexican Girls**
1923, oil on canvas
20 x 16 in
Reg # 4407
- Y.81-D Mexican Family**
1923, oil on board
20 1/8 x 16 1/8 in
Reg # 4406
- Y.82B Indian Com**
1924, oil on board
18 3/4 x 24 1/2 in
Reg # 8456
- Y.82C Roses in a Vase**
1924, oil on board
24 1/8 x 18 in
Reg # 6080
- Y.84A Little Giant Still Life
(black and white version)**
1953, oil on canvas
32 7/8 x 43 in
Reg # 11260
- Y84B Windshield Mirror**
c. 1954, tempera drawing on canvas
54 x 76 in
- Y.86 The Plan II**
1960, oil on canvas
8 x 12 in

- Y.88** **Twilight in Turkey**
1961, oil on canvas
14 x 18 in
Reg # 7198
- Y.89** **Punchcard Flutter**
1963, oil on canvas
24 x 32 in
- Y.93** **Letter and His Ecol (Black & White)**
c. 1962-64, casein on canvas
24 x 30 in
Reg # 3956B
- Y.96** **Theme for Eye Level**
c. 1950, oil on canvas
14 x 10 in
Reg # 3342
- Y.99** **Abstraction**
c. 1922-23, oil on canvas
32 x 22 in
Reg # 3345
- Y.100** **Untitled (Black and White Variation on Pochade)**
c. 1958-64, casein on canvas
45 x 56 in
Reg # 3346

WORKS ON PAPER

- O.1** **Suffragettes**
1910, watercolor on paper
13 3/4 x 18 3/4 in
Reg # 3951
- O.11** **Chinese Merchant**
1912, watercolor on paper
14 1/2 x 10 1/2 in
Reg # 4784
- O.13** **Portrait of Man with Cap**
1912, watercolor
10 1/2 x 14 5/8 in
Reg # 11711
- O.23** **Woman with Shawl**
1918, watercolor
22 1/2 x 17 1/2 in

- O.23C Glintenkamp on Bleeker**
1911, watercolor
17 3/4 x 23 3/4 in
Reg # 11708
- O.23K The Plaza**
1918-19, watercolor on paper
18 x 24 in
Reg # 3936
- O.27 Untitled**
1921, watercolor on paper
23 x 17 in
Reg # 3963
- O.28 Greek Letter Backwards**
1921, pencil and watercolor on paper
17 1/4 x 23 in
Reg #3962
- O.30A Room Interior**
1925, watercolor on paper
12 1/8 x 9 1/2 in
Reg # 3953
- O.40 Study for Allee**
1955, gouache
8 x 35 in
- O.42-A Section Study for Allee**
1955, gouache
8 x 11 in
- O.44 Hightstown Turnoff**
1960, casein
11 3/8 x 15 1/4 in
- O.47 On Location**
1963, casein on paper
8 3/8 x 11 5/8 in
Reg # 11264
- O.48 Figure with Pear**
c. 1925, watercolor and pencil on paper
15 x 18 in
Reg # 3958

- O.52 Untitled (Pear)**
1921, watercolor and pencil on paper
17 x 12 1/4 in
Reg # 3959
- O.55 Factory, Gas Pump and Boat**
c. 1930, ink and gouache on paper
10 x 15 1/2 in
Reg # 3945
- O.58 Study for Flying Carpet #2**
1942, gouache
5 x 7 in
- O.59 Study for Flying Carpet #3**
1942, gouache
5 x 7 in
- O.61 Untitled**
Mixed media and watercolor on paper
14 1/2 x 9 1/2 in
Reg # 3954
- O.63 Theater Crowd**
1911, watercolor on paper
14 x 18 1/2 in
Reg # 7161
- O.96 The Saint**
1943, gouache
15 x 20 in

DRAWINGS

- B.6 (Abstract Building composition)**
c. 1920' s, ink on paper
16 3/4 x 22 in
- B.10 Composition with Paintings
 and Town Square (Studio Interior with "Plaza")**
1925, ink on paper
10 x 11 in
Reg # 11683
- B.15-A Drugstore Reflection**
1931, ink on paper
11 1/2 x 15 1/4 in

B.16 Study for Radio City Music Hall Mural

1932, pencil on paper
10 1/2 x 17 in
Reg # 11250

B.16A Configuration

1932, gouache and pencil on paper
11 x 14 in
Reg # 16323

B.18 Radio Tube

1939, pencil on paper
7 1/8 x 4 3/8 in
Reg # 6001

B.19B Drawing for Report from Rockport

1940, ink on paper
24 1/2 x 30 1/2 in
Reg # 10834

B.20 Pad Series #I

1939, pencil on paper
34 1/2 x 19 1/2 in
Reg # 11716

B.20B Drawing from Pad Series #3

1939, pencil on paper
32 1/4 x 20 1/4 in
Reg # 4542

B.29 Study for Percolator

1927, pencil drawing
18 1/8 x 14 1/4 in

B.50 Summer Landscape

1932, pencil on paper
7 1/8 x 10 3/8 in
Reg # 11715

B.84 New York Study

undated, pencil on paper
13 1/4 x 8 3/4 in
Reg # 7143

- B.86 Clock and Telephone**
c. unknown, ink on paper
7 1/2 x 5 (sight) in
Reg # 12827
- B.88 (Untitled Drawing 1)**
ink on paper
7 3/4 x 6 3/4 in
- B.89 Study for Hightstown Turnoff**
1960, ink on paper
4 x 6 in
Reg # 3557
- B.102 Sketch for On Location**
c. 1963, ink and pencil on paper
4 x 5 7/8 in
Reg # 3558
- B.104 Drawing for Bois**
pencil on paper
4 11/16 x 5 9/16 in
Reg # 4788
- B.116 Gloucester Study**
undated, pencil on paper
3 1/2 x 5 in
Reg # 7141
- SD-4 Drawing for Smiths Cove**
c. 1935, pencil on paper
15 x 20 in
Reg # 4804

SKETCHBOOK DRAWINGS

- 1-1 Sketchbook 1-1**
c. 1931, pencil on paper
7 3/8 x 11 in
Reg # 11354

- 1-13 Cigar and Hand Held Before View**
Looking Northwest from Approximately
Third Avenue and E. 14th St.
1930-32, ink on paper
7 3/8 x 7 3/8 in
Reg # 5989
- 2-13 6th Avenue E1 from**
Washington Mkt.
undated, pencil on paper
9 1/2 x 11 3/4 in
Reg # 10821
- 3-3 Sketchbook (Gloucester 3-3)**
c. 19301, pencil on paper
10 3/4 x 14 1/2 in
Reg # 11688
- 7-15 Street Scene with Boulanger**
c. 1928, pencil on paper
8 x 10 1/2 in
Reg # 4545
- 9-4 Sketchbook #9-4 (Sailboat and Lighthouse)**
c. 1932, pencil on paper
6 x 7 in
Reg # 7132
- 9-14 Drawing for Garage Lights**
1932, pencil on paper
7 x 8 in
Reg # 3586
- 10-4 Sketchbook #10-4 (Eraldine and Phyllis)**
pencil on paper
7 1/2 x 9 1/3 in
Reg # 7135
- 10-7 Sketchbook (Gloucester)**
c. 1930-31, pencil on paper
8 x 10 in
Reg # 16315
- 11-6 Sketchbook #11-6**
1932, ink on paper
8 x 10 1/4 in
Reg # 5198

- 11-19 Sketchbook**
(Gloucester Abstractions 11-19)
1932, ink on paper
8 x 10 1/4 in
Reg # 11707
- 11-20 Untitled {Sketchbook #11-20}**
1938, ink on paper
10 1/4 x 8 in
Reg # 4551
- 13-1 Study for Max II**
ink on paper
10 x 8 in
Reg # 8458
- 15-5 Sketchbook (Gloucester 15-5)**
1933, pencil on paper
8 x 10 in
Reg # 11692
- 16-8 Sketchbook**
(Gloucester Dock Scenes 16-8)
1933, pencil on paper
8 x 10 in
Reg # 11702
- 17-10 Sketchbook #17-10**
1936, ink on paper
6 x 9 in
Reg # 5200
- 17-16 Sketchbook (Gloucester 17-16)**
1936, pencil on paper
6 x 9 in
Reg # 11689
- 17-18 Sketchbook #17-18**
1936, ink on paper
6 x 9 in
Reg # 5197
- 20-6 Untitled (New York)**
1938, ink on paper
7 x 9 1/2 in
Reg # 6003

- 23-1 Drawing for Pennsylvania**
1947, pencil drawing on paper
12 x 18 in
- 23-3 George Wettling Composition**
1947, pencil on paper
12 x 18 in
Reg # 11700
- 23-4 Rhythm (sic)**
1947, pencil on tracing paper
12 x 18 in
- 24-10 Detail Study from Pad Series #2**
c. 1946, pencil on paper
8 1/2 x 8 in
Reg # 4549